



MAR - 3 2003

The Honorable Bill Owens
Governor of Colorado
Denver, Colorado 80203-1792

Dear Governor Owens:

It is with pleasure that I respond to the State of Colorado's request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA), in accordance with the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and sections 8-10 of the Wagner-Peyser Act. This authority is granted to the Secretary by section 189(i)(4)(A) of the Workforce Investment Act (WIA or the Act), and in the implementing regulations at 20 CFR 661.420.

These waivers grant states flexibility in program design for seamless program delivery and improved customer service, in exchange for accountability and agreed-to programmatic outcomes. We hope that these changes will assist your state in meeting its workforce needs and improving programmatic outcomes at the local level and statewide.

We are pleased to be able to respond positively to your request. The following is the disposition of the state's waiver submission.

Waiver: Waive the title I 20% transfer authority at WIA section 133(b)(4)

The State of Colorado is requesting a general waiver (copy enclosed) of the 20% transfer authority provision at WIA section 133(b)(4) to provide more flexibility in transferring funds between WIA Title I-B funding streams for adults and dislocated workers in order to meet local needs. The state's request, if granted, would provide the ability to transfer an amount up to 40% of a program year allocation between these program-funding streams. The state indicates that during Program Year (PY) 2001 the number of dislocated worker and adult enrollments more than doubled compared with PY 2000, owing to the general downturn in the economy and the aftermath of 9/11. By using discretionary funding sources, such as a National Emergency Grant, Colorado has been able to accommodate the needs of additional dislocated workers who were victims of layoffs. However, according to the state the resources for adult services have decreased overall and local Boards are facing tough decisions regarding staffing and service levels in their adult programs. The state believes that flexibility



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provided by the waiver with regard to local allocation of funds would assist in assuring that both dislocated worker and adult services are maintained at a level sufficient to meet the needs of Colorado's workforce.

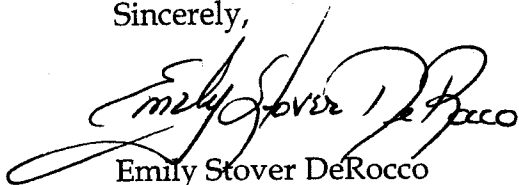
The state's waiver request indicates that Local Boards have exercised the option under the WIA to transfer up to 20% of funds. The state believes that increased flexibility and control to transfer funds between the adult and dislocated worker programs would allow each region in Colorado to further customize service delivery and maximize use of limited funds for services to participants.

The waiver is written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appears to meet the standard for approval at 20 CFR 661.410(e) and the standard for waiver of requirements relating to key reform principles, as specified at 20 CFR 661.410(c). Accordingly, the state's request, to waive the 20% transfer at WIA section 133(b)(4) to permit an increase in the transfer authority between the adult and dislocated worker funding streams to a maximum of 40% at the local level is approved, consistent with the state's waiver submission. Although the state has not specified a duration for the waiver, if granted, the effective date of the approved waiver is July 1, 2002, the beginning date of the current program year, through PY 2003, ending June 30, 2004.

The granted waiver is incorporated by reference into the state's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and also constitutes a modification of Colorado's approved five-year strategic plan. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's approved five-year plan, as appropriate.

We look forward to continuing our partnership with you and to the achievement of better workforce investment outcomes and the improvement of the lives of many of the residents of Colorado. We are prepared to entertain other state and local-level waiver requests that Colorado may wish to submit, consistent with the provisions of the Act and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", is written over a horizontal line.

Emily Stover DeRocco

Enclosures

BILL OWENS
Governor

VICKIE L. ARMSTRONG
Executive Director

JEFFREY M. WELLS
Deputy Executive Director

THOMAS E. IVORY
Director



DEPARTMENT OF LABOR AND EMPLOYMENT
OFFICE OF EMPLOYMENT AND TRAINING PROGRAMS

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November 12, 2002

Joseph C. Juarez
Regional Administrator
Employment and Training Administration
5252 Griffin Street, Room 317
Dallas, TX 752202

Dear Mr. Juarez:

Enclosed is the State of Colorado's request for a waiver under the Workforce Investment Act, Section 133 - Transfer Authority of a Local Board, for PY2002. We have addressed sections 20 CFR 661.420 (c) and 189(i)(4) of the Workforce Investment Act- General Waivers of Statutory or Regulatory Requirements. The Training and Employment Guidance Letter referencing the development and submission of a request for the waiver of WIA was also followed.

The waiver request is being submitted concurrently with the 30-day comment period required in the regulations. Subsequent to the comment period, the State will provide copies of all comments received.

If you have further questions, please contact Nina Holland at 303.318.8806.

Sincerely,

Elise Lowe-Vaughn for

Thomas E. Ivory, Director
Employment and Training Programs

✓ Cc: Jovita Martinez
Booker Graves
Elise Lowe-Vaughn
Nina Holland

**STATE OF COLORADO
WAIVER REQUEST
WORKFORCE INVESTMENT ACT**

Transfer of WIA Funds between Adult and Dislocated Worker Programs

The Colorado Department of Labor and Employment (CDLE), the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver of the legal requirement limiting transfer of funds between the Adult and Dislocated Worker programs to no more than 20% of a program year allocation. The waiver would provide the ability to transfer between up to 40% of a program year allocation between these two programs. Should the waiver be granted, CDLE will be able to ensure that the critical workforce needs of local communities are met.

This waiver request follows the format identified in WIA Section 189(i)(4)(B) (29 USCA Section 2939(i)(4)(B)) and WIA Final Regulations at 20 CFR Section 661.420(c).

1. Statutory Regulations to be Waived: WIA Section 133(b)(4) (29 USCA Section 2963(b)(4)) and WIA Final Regulations at 20 CFR Section 667.140, provide that with the approval of the governor, Local Workforce Investment Boards (LWIBs) may transfer up to 20% of a program year allocation for adult employment and training activities, and up to 20% of a program year allocation for dislocated worker employment and training activities between the two programs.

Colorado's structure for the WIA consists of the Office of Workforce Development (OWD) and the State Workforce Development Council (SWDC), which perform policy functions, and the Colorado Department of Labor and Employment, which is responsible for providing the administrative and fiscal management systems for program implementation. The planning and delivery of services is performed at the local level, embodying the Colorado tradition of local control. A strong state and local partnership has resulted in the achievement of all 17 WIA performance measures for PY00 and the current effort to meet all performance outcomes for PY01.

During PY01 the number of Dislocated Worker and Adult enrollments more than doubled compared with PY00, owing to the general downturn in the economy and the aftermath of 9/11. Utilizing discretionary funding sources, such as a National Emergency Grant, Colorado has been able to accommodate the needs of those additional clients who were victims of layoffs. However, the resources for Adult services have decreased overall and local Boards are facing tough decisions regarding staffing and service levels in their Adult programs. Maximum flexibility with regard to allocation of funds would assist in assuring that both dislocated worker and adult services are maintained at a level sufficient to meet the needs of Colorado's workforce.

2. State or Local Statutory Regulatory Barriers: There are no state or local statutory or regulatory barriers to implementing the proposed waiver. State Workforce Development Board and CDLE policies are in compliance with current Federal guidelines. Upon notification of approval of this waiver request, CDLE policy will be amended to comply with the terms of the waiver.

3. Goals to be Achieved by the Waiver:

- Improve the ability of local Boards to respond to changes within their local areas;
- Increase local control for program delivery;
- Increase employer/board collaboration to address industry needs and worker training;
- Increase accountability of local service providers;
- Provide greater flexibility to local Boards in designing and implementing WIA programs.

4. Programmatic Outcomes to be Achieved by the Waiver: Local Boards have exercised the option under the WIA to transfer up to 20% of funds. However, by virtue of Colorado's diverse population as well as differences in urban and rural workforce demographics, WIA customer needs vary greatly from one local region to another. Increased flexibility and control to transfer funds between the Adult and Dislocated Worker programs would allow each region to further customize service delivery and maximize use of limited funds.

The role of local Boards is to plan, oversee, and evaluate the delivery of workforce training and services delivered by their local One-Stop centers. Boards need to be encouraged to design innovative programs unique to local needs and priorities. Such customized programs result in increased local and service provider accountability. CDLE, OWD, and the State Workforce Development Council support the local Boards in these efforts by providing continued technical assistance and oversight. The granting of the waiver will allow Colorado to continue to meet its goal of "building a skilled, internationally competitive workforce for the new century."

5. Individuals Impacted by the Waiver: This waiver will benefit local Boards, One-Stop Centers, employers, customers, and service providers. The following are expected to be additional impacts of the proposed waiver:

- Program participants will benefit because local Boards will have added flexibility to design programs based on local needs and priorities.
- More customers will have access to core, intensive, and training services.
- Boards will have added flexibility to move funds where they are needed.

6. Process Used to Monitor Progress in Implementing the Waiver: CDLE has a Federally recognized monitoring and performance accountability system that measures and evaluates results for job seekers and employers accessing Colorado's network of One-Stop centers. On a monthly and quarterly basis, CDLE reviews and analyzes client enrollment and service levels, program expenditures, and performance outcomes. In addition, State program monitors conduct onsite quarterly technical assistance reviews designed to assure that contract requirements are being met for all WIA programs. On an annual basis, comprehensive compliance monitoring is conducted onsite utilizing outcome reports generated from CDLE's statewide database. Should this waiver request be granted, CDLE will ensure regular review of the Adult and Dislocated Worker programs to monitor outcomes and impacts of the additional fund transfer authority.

7. Process for Notice of Local Boards and Opportunity to Comment: CDLE actively sought the input of local Boards during the development of the waiver request. Over a period of several months, CDLE met with local directors to review their expenditure levels and program needs, and ultimately received unanimous support for the submission of this waiver. Once the waiver document is finalized, it will be published for 30 days, beginning November 15th and ending

December 15th, 2002, on the public web site maintained by the Office of Workforce Development, allowing for public comment on its content and potential impact. In addition, a copy of the waiver will be available for public inspection at CDLE offices, and electronic copies of the waiver will be sent via e-mail to local Boards and workforce centers. Comments received will be provided shortly after December 15th.
